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SUBJECT: Santiago Nov. 21-23 Media Report

Chile-Peru

¶1. Peruvian Foreign Minister Jose Antonio Garcia Belaunde said that the government of Peru was not responsible for leaking the information to the press about the alleged espionage. He added that his government does not agree with reviewing the FTA with Chile over this incident as proposed by a group of opposition congressmen in Peru, but insisted that the only satisfactory response for Peru would be for Chile to open an investigation (Conservative, influential El Mercurio, 11/21).

¶2. Chilean Foreign Minister Mariano Fernandez said his ministry would study the dossier sent by Lima and respond to Peru's note verbale with another note verbale note, but did not say when. Fernandez recalled the case of a Peruvian caught spying on Chile earlier this year, noting that Chile had accepted "in good faith" Lima's explanations and excluded the government of Peru from any responsibility (Conservative, afternoon La Segunda, 11/20).

¶3. The Peruvian press leaked the e-mails sent by the alleged Peruvian spy. One of the mails is an inquiry about the performance of MIGs compared to the F-16s - similar to those acquired by Chile -- during an exercise between the Peruvian air force and its U.S. counterpart in 2007 (La Tercera, 11/21).

¶4. Former Peruvian Foreign Minister Jose de la Fuente criticized President Alan Garcia's handling of the espionage case, stating that Peru should have investigated first, reached a determination, and only then demanded Chile for an explanation (La Tercera, 11/23).

¶5. "There is the belief in Peru that Chile is improving its military capabilities to defend its investments in that country. That sounds crazy in Santiago, but not in Peru. The supposition is that Peru's true goal is to block a maritime agreement between Chile and Bolivia. That sounds crazy in Peru, but not in Chile. There is no evidence to sustain either position, but history shows that until mutual trust between the two countries is restored, the

situation between the two is both tragic and funny, but serious" (Ascanio Cavallo column, La Tercera, 11/22).

¶16. "Nationalist sectors in Peru... see Chile's military acquisitions... and investment ... as part of a master plan to take over Peru. These sectors ... believe that Garcia's defense of an economic integration with Chile (FTA) and policy to address the maritime issue and bilateral relations along different channels... put Peru at a disadvantage. Garcia was forced to react to contain these sectors Chile must consider this complicated context. Garcia is not anti-Chilean and these nationalist sectors are not necessarily a majority.... Chile must find an intelligent way to provide Peru with an explanation ... and lift a weight off its shoulders" (Alvaro Vargas Llosa column, La Tercera, 11/22).

Local Politics

¶17. Universidad del Desarrollo and La Segunda conducted a survey on the effect of television spots. Asked how the spots had changed their view of the candidates, 42 percent said they had improved regarding Enriquez-Ominami; 34 percent regarding Pinera, 21 percent regarding Frei. The largest percentage of rejection was for Frei with 28 percent (La Segunda, 11/20).

U.S./-Related News

¶18. According to Investigations Police Chile immigration records, the United States deported 169 Chileans from January 2007 to September 2009; 70% for immigration reasons and the remainder for crimes (La Tercera, 11/22).

¶19. The State University of New York and the Technological University of Chile Inacap signed a distance learning and student and teacher exchange cooperation agreement (El Mercurio, 11/22).

¶10. U.S. company Bio Architecture Lab set up a branch office in Chiloe to harvest 100 hectares of macro-algae to produce ethanol. The raw material will be processed in a pilot plant to be built in the Region of Los Lagos (El Mercurio, 11/23).

¶11. A group of young American surfers created the "Surf Valpo Project," a program to teach surf to children from low-income areas in the port of Valparaiso. "The goal is to teach them skills that will allow them to succeed, such as determination and self respect, and to show them they have the power to change their lives," said one of the young surfers (La Tercera, 11/21).

¶12. The New York Times columnist Thomas Friedman believes that in spite of the absence of any agreement between the United States and China at the upcoming Copenhagen summit, the conference will ignite a change that will speed up measures to lower green house gases (La Tercera, 11/23).

¶13. Melvin J. Hinich, expert in electoral processes and creator of a mathematical theory to analyze voting patterns, said that "everything indicates that Sebastian Pinera will win" the presidential election (La Tercera, 11/22).

Honduras

¶14. OAS Secretary General Jose Miguel Insulza foresees a strong division in the international community between those who will

accept and those who will reject the validity of the November election in Honduras. Insulza said the United States is "still waiting for a gesture from both parties" in the conflict to start moving forward (Government-owned, La Nacion, 11/23).

China

¶15. Editorial: "In China and the United there are some who believe that the two countries are bound to enter a new Cold War....That is why President Obama's visit to China - which some view as poor in results -- can be seen as the first step in a process of rapprochement that will benefit the international community" (El Mercurio, 11/23).

Terrorism

¶16. An explosive device detonated at the entrance of BBVA bank office in Las Condes yesterday at 3 pm. Pamphlets "against the state and against capitalism" were found (La Tercera, 11/23).
SIMONS